

CLASSIFICATION **S-E-C-R-E-T**

CENTRAL INTELLIGENCE AGENCY

REPORT

INFORMATION REPORT

CD NO.

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COUNTRY **East Germany**

SUBJECT **Chemicals Import-Export Plan Fulfillment of the Ministry of Heavy Industry**

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THIS IS UNEVALUATED INFORMATION**1. Exports**

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a) The Export Plan for the Production Area - Chemistry in the East German Ministry for Heavy Industry was fulfilled by 108% during the first half of 1955. The plan called for exports totalling 514,876,000 rubles and 558,592,000 rubles worth of goods were actually exported. The overfulfillment was achieved through deliveries made in advance for the 3rd quarter of 1955. The planned quotas for some products were underfulfilled, however, because of a lack of export orders and or production difficulties.

b) Overfulfillment through advance deliveries on quotas for the 3rd quarter of 1955 were to be found with the following items:

| | <u>Planned</u> | <u>Fulfilled</u> | <u>%</u> |
|--------------------------------------------------------|-----------------|------------------|----------|
| Motor vehicle gasoline | 45,000 tons | 50,000 tons | 112 |
| Lignite low-temperature carbonization tar (Schwelteer) | 26,000 tons | 27,544 tons | 105 |
| Fuel oil (Heizuel) | 8,000 tons | 9,518 tons | 118 |
| Bulk paraffin (Paraffinmasse) | 6,200 tons | 9,723 tons | 156 |
| Sulphur | 13,550 tons | 13,981 tons | 103 |
| Sulphuric acid | 11,500 tons | 13,914 tons | 120 |
| Hydrochloric acid | 250 tons | 288 tons | 115 |
| Liquid chlorine | 3,000 tons | 3,638 tons | 121 |
| Potassium permanganate | 725 tons | 761 tons | 104 |
| Phosphoric acid | 1,250 tons | 1,724 tons | 137 |
| Formaldehyde | 495 tons | 547 tons | 110 |
| Movie film, positive, colored | 1,190,000 cu.m. | 1,278,000 cu.m. | 107 |
| X-ray film | 260,000 cu.m. | 271,000 cu.m. | 104 |
| Synthetic rubber | 18,840 tons | 19,538 tons | 103 |

c) A lack of export orders caused under-fulfillment with respect to the following products during the first half of 1955:

| | | | |
|--------------------------|-------------|-------------|-----|
| Fuel (Treibstoff) A 70 | 36,000 tons | 33,000 tons | 93 |
| Purebenzene (Reinbenzol) | 2,550 tons | 1,474 tons | 57 |
| Carbon disulphide | 900 tons | 25 tons | 2.7 |
| Nitric acid | 900 tons | 816 tons | 90 |

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| | <u>Planned</u> | <u>Fulfilled</u> | <u>%</u> |
|---------------------------------|------------------|------------------|----------|
| Water glass (Wasserglas) | 1,830 tons | 1,274 tons | 69 |
| Acetic acid, chemical | 725 tons | 527 tons | 72 |
| Detonating caps (Sprengkapseln) | 2,500,000 pieces | 1,500,000 pieces | 60 |

In addition, the export plan for formic acid was fulfilled by only 95% due to serious production difficulties, and the fulfillment figure for tricresylphosphate amounted to only 86% because of the poor quality of the product.

2. Imports

a) In contrast to the Export Plan, the Import Plan for the chemical field was only 94% achieved. This underfulfillment affected not only the chemical industry but also other branches of industry. Consumers goods, for example, could not be produced in the anticipated quantities - only 88% of the expected quantity of sodium perborate, required for a new laundry soap, WOK, was imported, and only 77% of the essential oils (Aetherische Oele) needed for the cosmetic industry, the food industry and for pharmaceuticals was available.

b) Agriculture was affected by the fact that only 19,619 tons of the planned 25,000 tons (78%) of superphosphate were imported and only 78,000 of the planned 205,000 tons of crude phosphate (chiefly phosphate fertilizers), a 38% fulfillment. Only 62% of the anticipated quantity of motor vehicle tires in special sizes for agricultural machinery were imported during the first half of 1955.

c) The filling of export orders was delayed through the shortages of imports of the following items:

1) Borax Planned- 1,449 tons Imported- 610 tons 42% fulfillment
The borax shortage led to production stoppages in the enamelling industry, the supplier for the export enterprises of the vehicle industry (railway cars).

2) Bronze Planned- 54 tons Imported- 27 tons 50% fulfillment
Bronze is delivered only to firms engaged in export and government orders. The quality of the goods produced is endangered by the plan underfulfillment.

3) Photographic gelatine Planned- 263 tons Imported- 178 tons 67% fulfillment
The planned production of various types of Agfa film could not be achieved. The filling of export orders is not guaranteed since reserves were only sufficient for requirements up to 10 September 1955.

4) Cobalt salts Planned - 5 tons Imported- 2 tons 40% fulfillment
An inadequate supplying of the lacquer, printing and leather dye industries with cobalt drying substances (Kobalt-Trockenstoffe) has caused difficulties in the filling of export orders in railroad, ship and machine construction.

5) Cadmium sulphide Planned- 296 tons Imported- 256 tons 86% fulfillment
Shortages of cadmium sulphide has caused a lowering of the quality of lacquers and paints produced for export and industry.

d) In addition to the other branches of industry, the lacquer and paint manufacturing industry has suffered serious work stoppages and has been forced to lower the quality of its products because of insufficient imports of the following items:

| | | |
|------------------------|--------------------------|------|
| Lithophone | Import plan fulfilled by | 0 % |
| Red lead | Import plan fulfilled by | 75 % |
| Lead monoxide | Import plan fulfilled by | 24 % |
| Zinc oxide, commercial | Import plan fulfilled by | 0 % |
| Lacquer linseed oil | Import plan fulfilled by | 86 % |

e) Production stoppages in the photographic industry in connection with the manufacturing of photographic paper were caused both by the inadequate imports of photographic gelatine and by the underfulfillment (64%) of the import plan for blanc fixe (Blankfix).

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